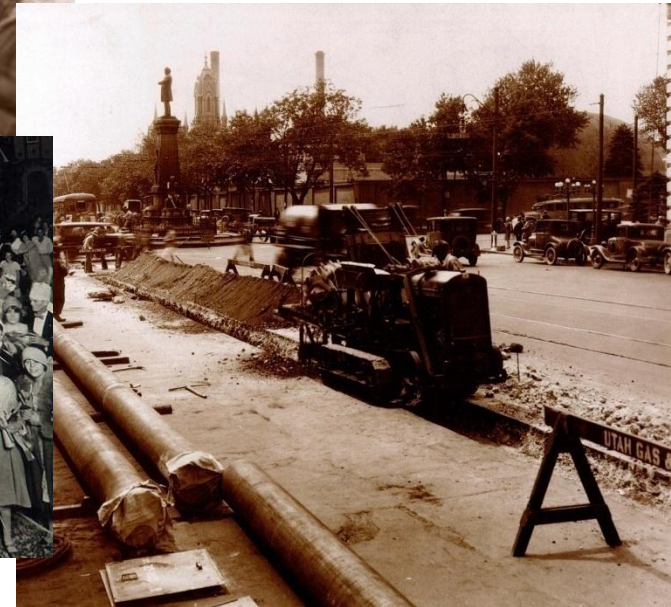


“A Stunning Year: The Effect of the Current and Anticipated Economic and Political Environment on the Natural Gas Industry”

Barrie L. McKay
General Manager
State Regulatory Affairs
Questar Gas Company

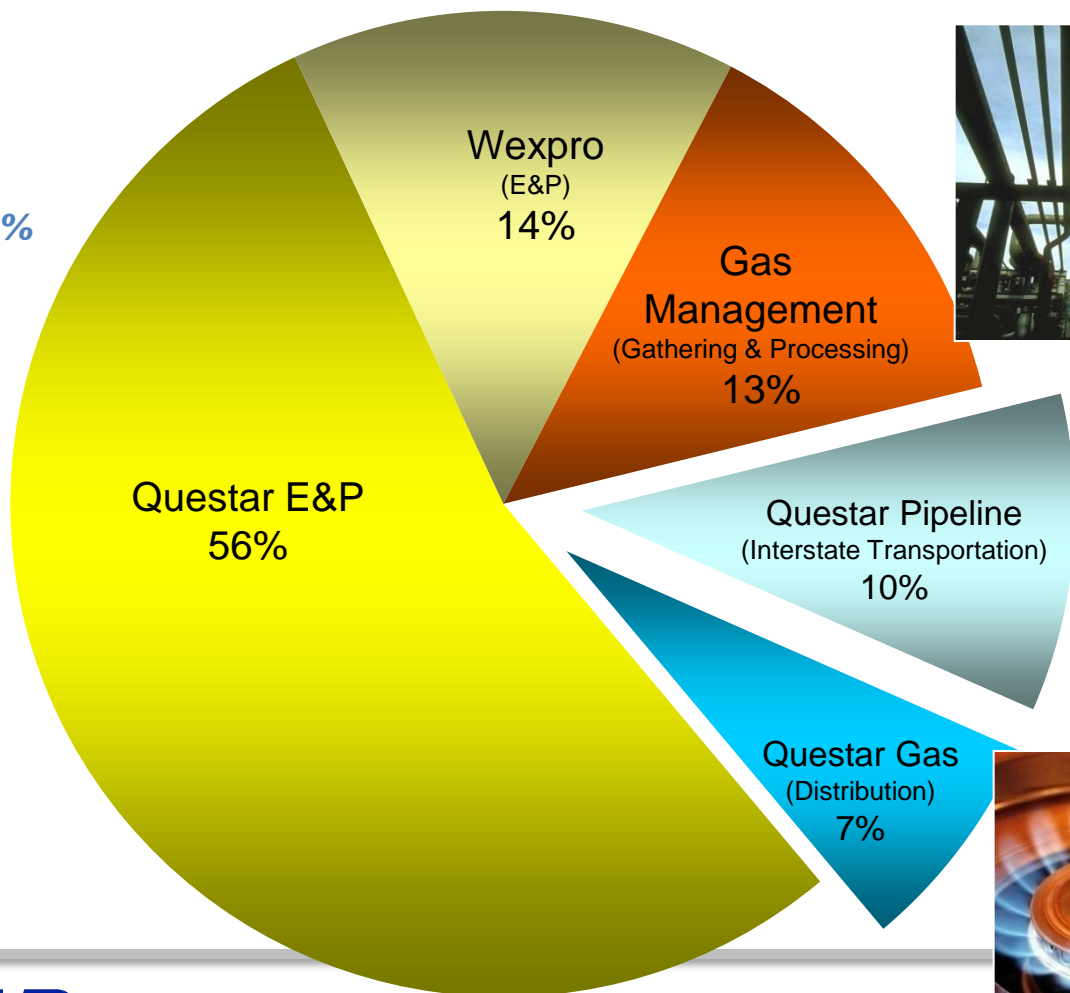
June 9, 2009
Western Conference



Questar is a natural gas-focused energy company

Net income contribution March 2009

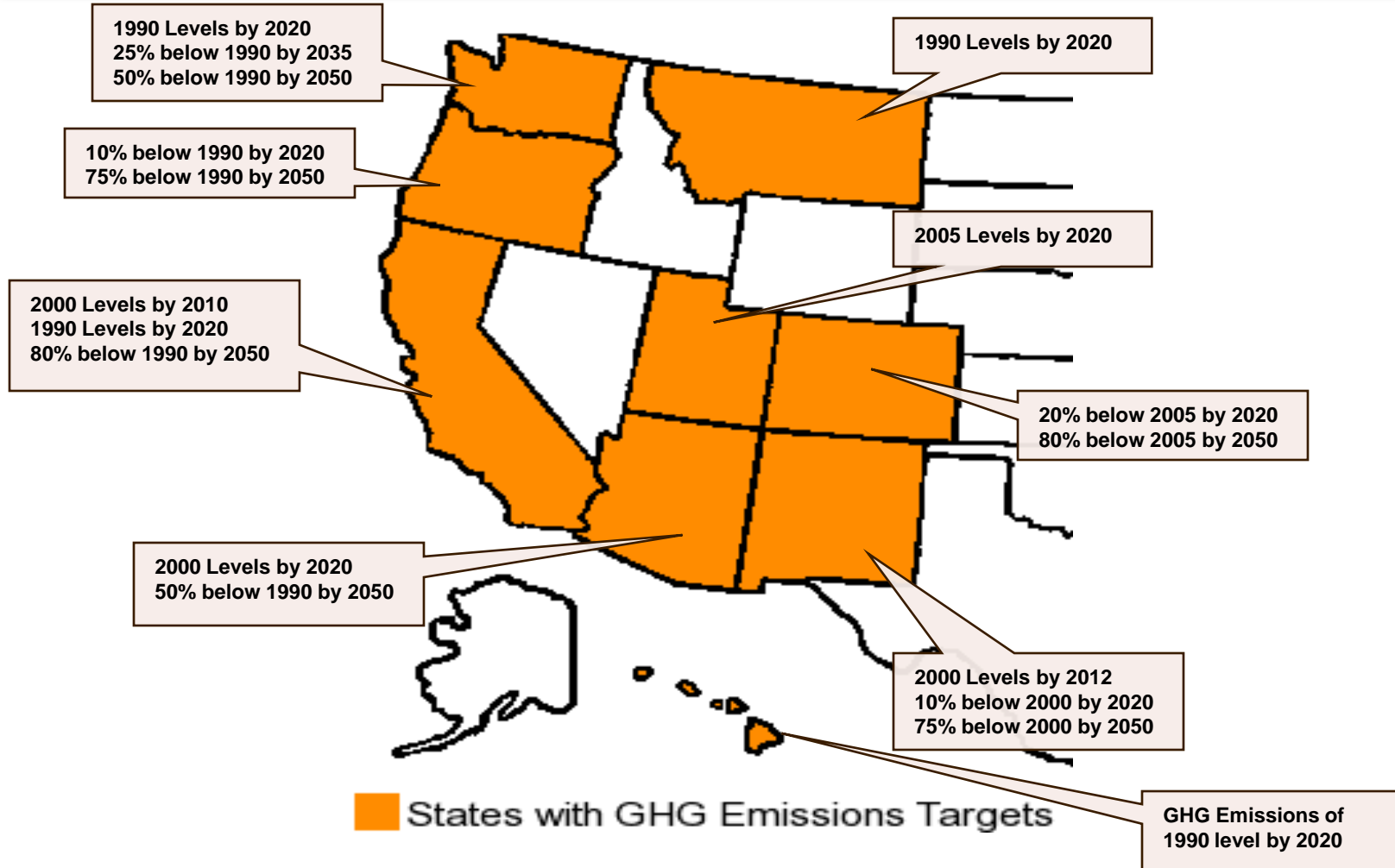
Market Resources 83%



QUESTAR® \$8.3 billion enterprise value

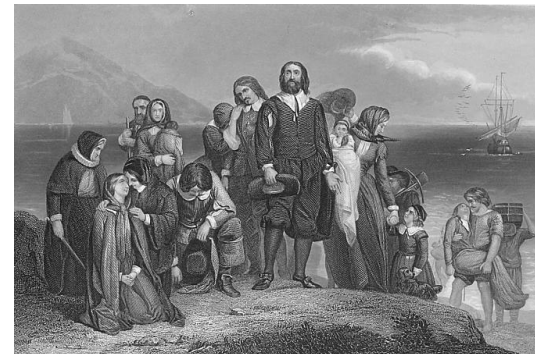
Western Climate Change Initiatives

Greenhouse Gas Emission Goals

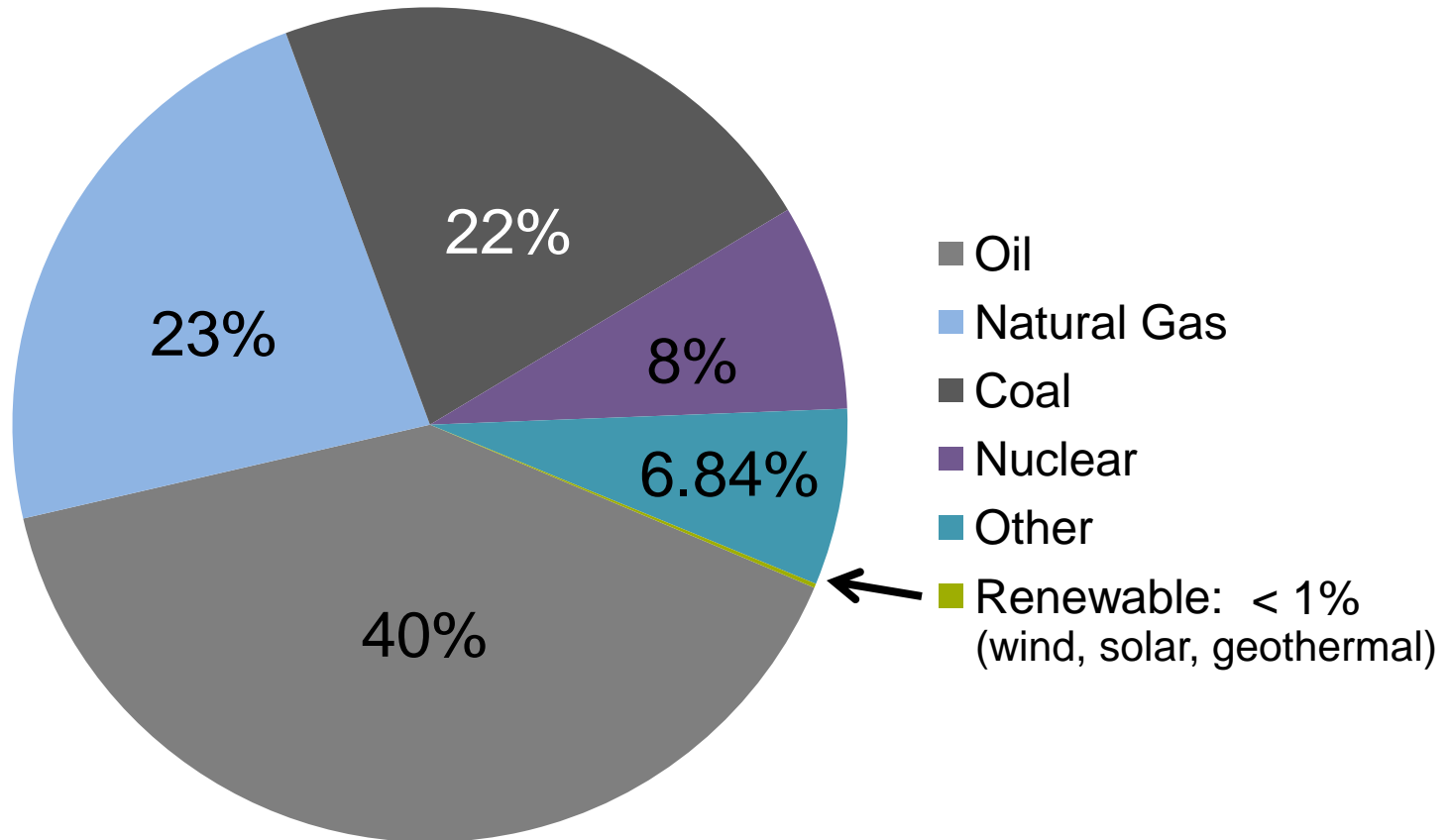


“80 by 50”

- Utahn's average carbon footprint 2009: 25 tons
- Utahn's average carbon footprint 2050: 2.2 tons
- Last time Utahns' carbon footprint was this level:
- Last time Americans' carbon footprint was this level:

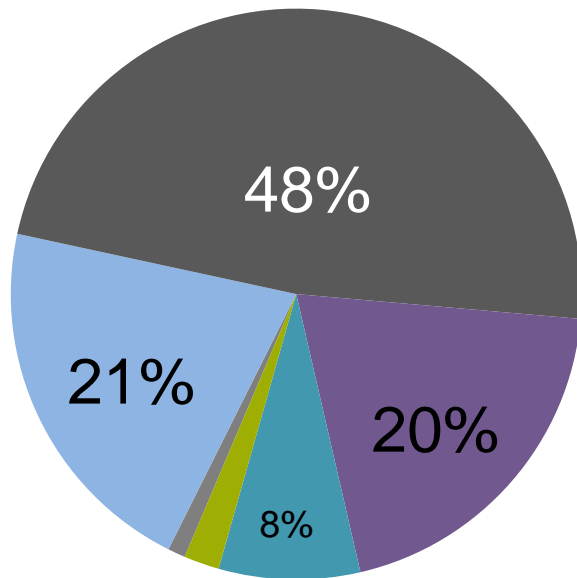


America's total energy use by fuel

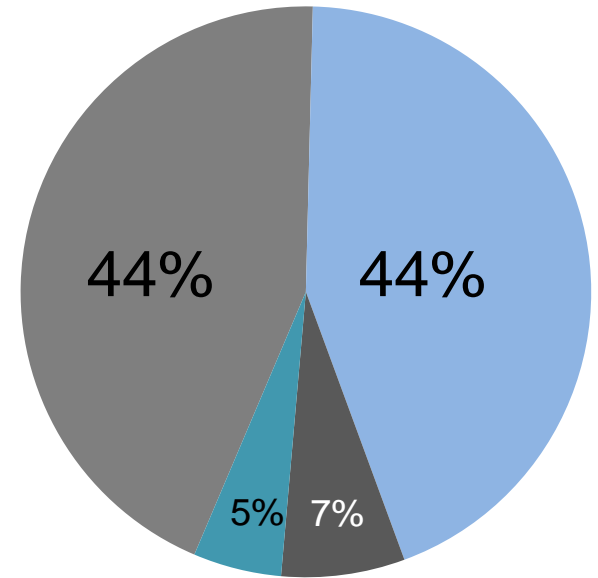


America's energy use by sector

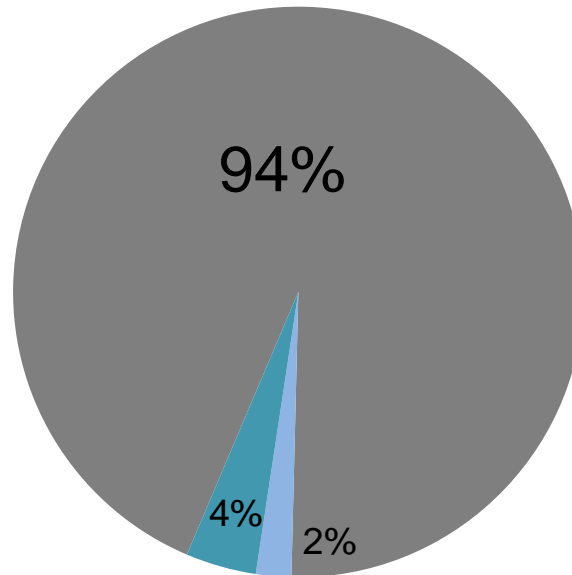
Power Generation



Residential/Commercial/Industrial

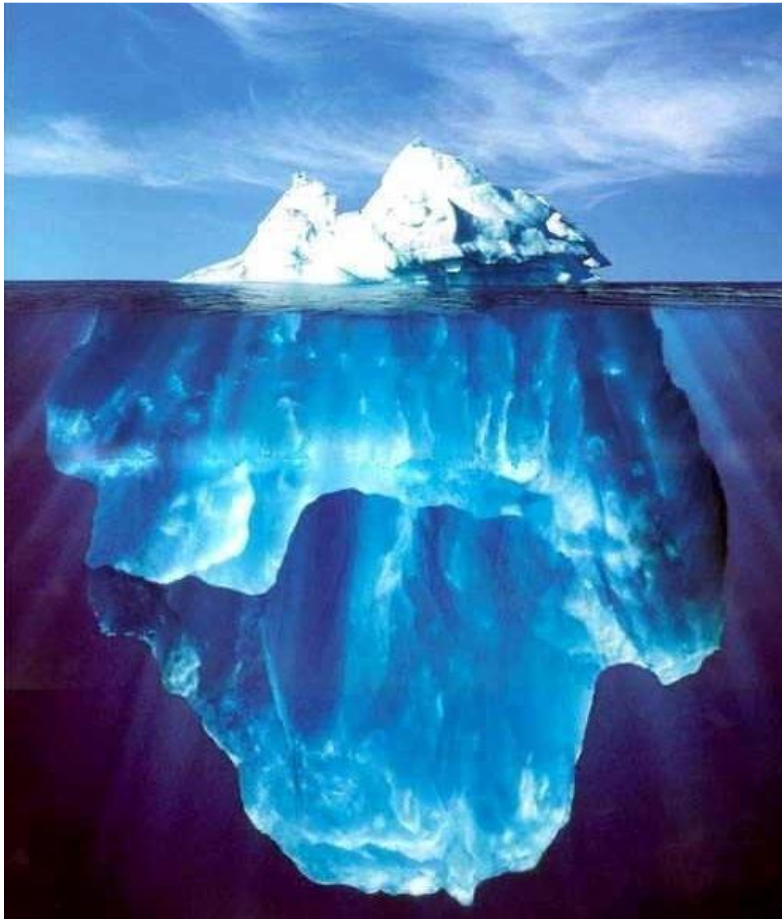


Transportation



- Oil
- Natural Gas
- Coal
- Nuclear
- Other

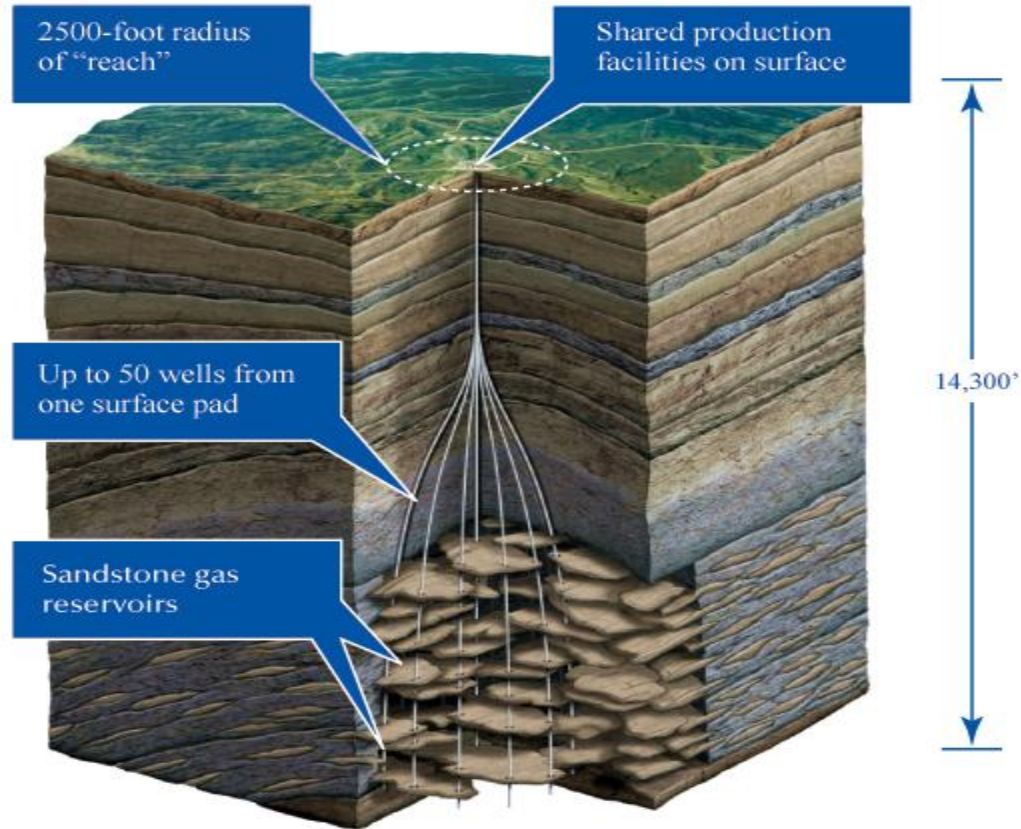
Natural Gas: An Abundant Domestic Resource



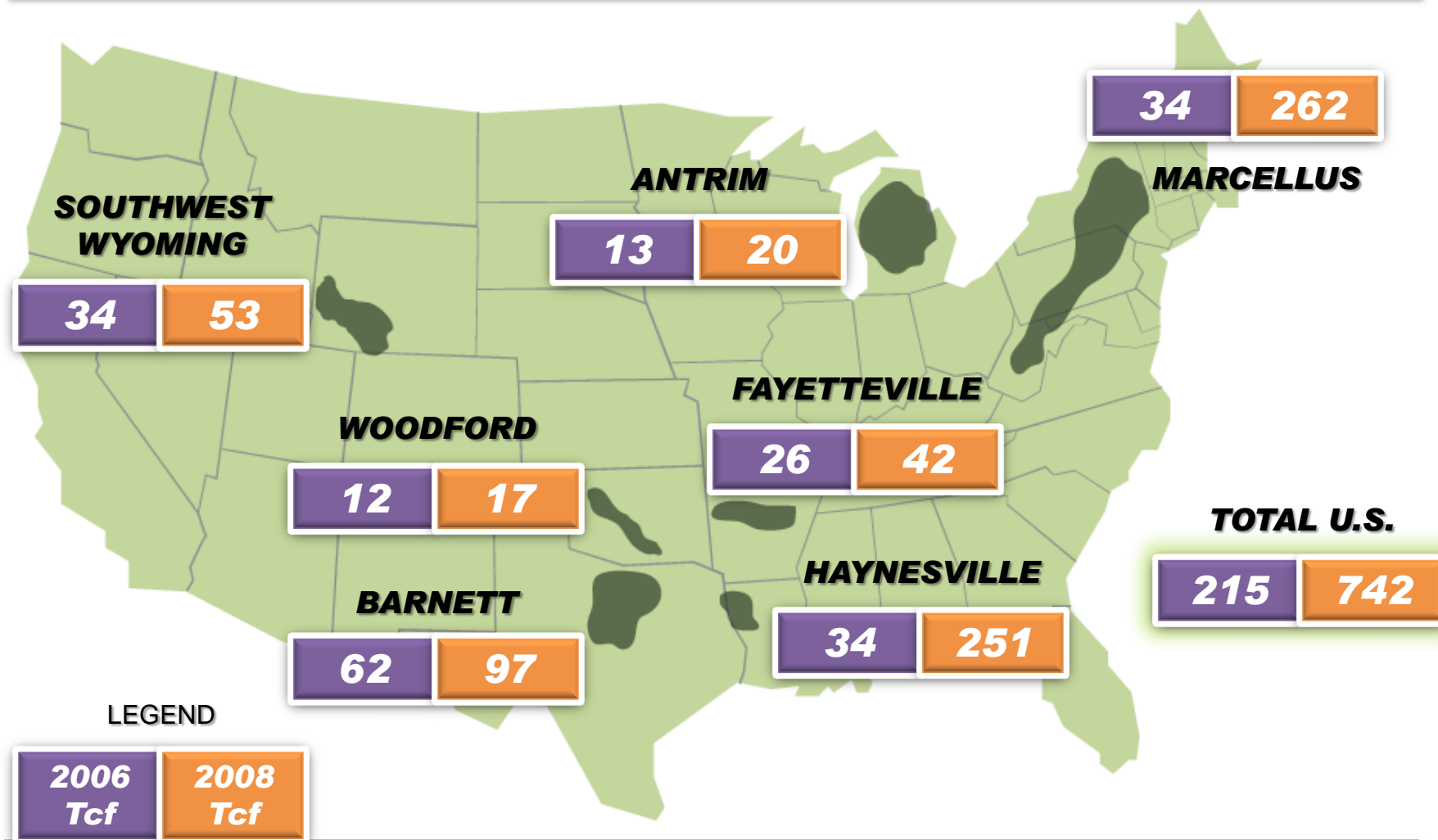
Nationwide reserve estimates

	1990	2006
Proved:	169Tcfe	204Tcfe
Probable:	207Tcfe	270Tcfe
Possible:	304Tcfe	426Tcfe
Speculative:	344Tcfe	461Tcfe
Total:	1,024Tcfe	1,361Tcfe

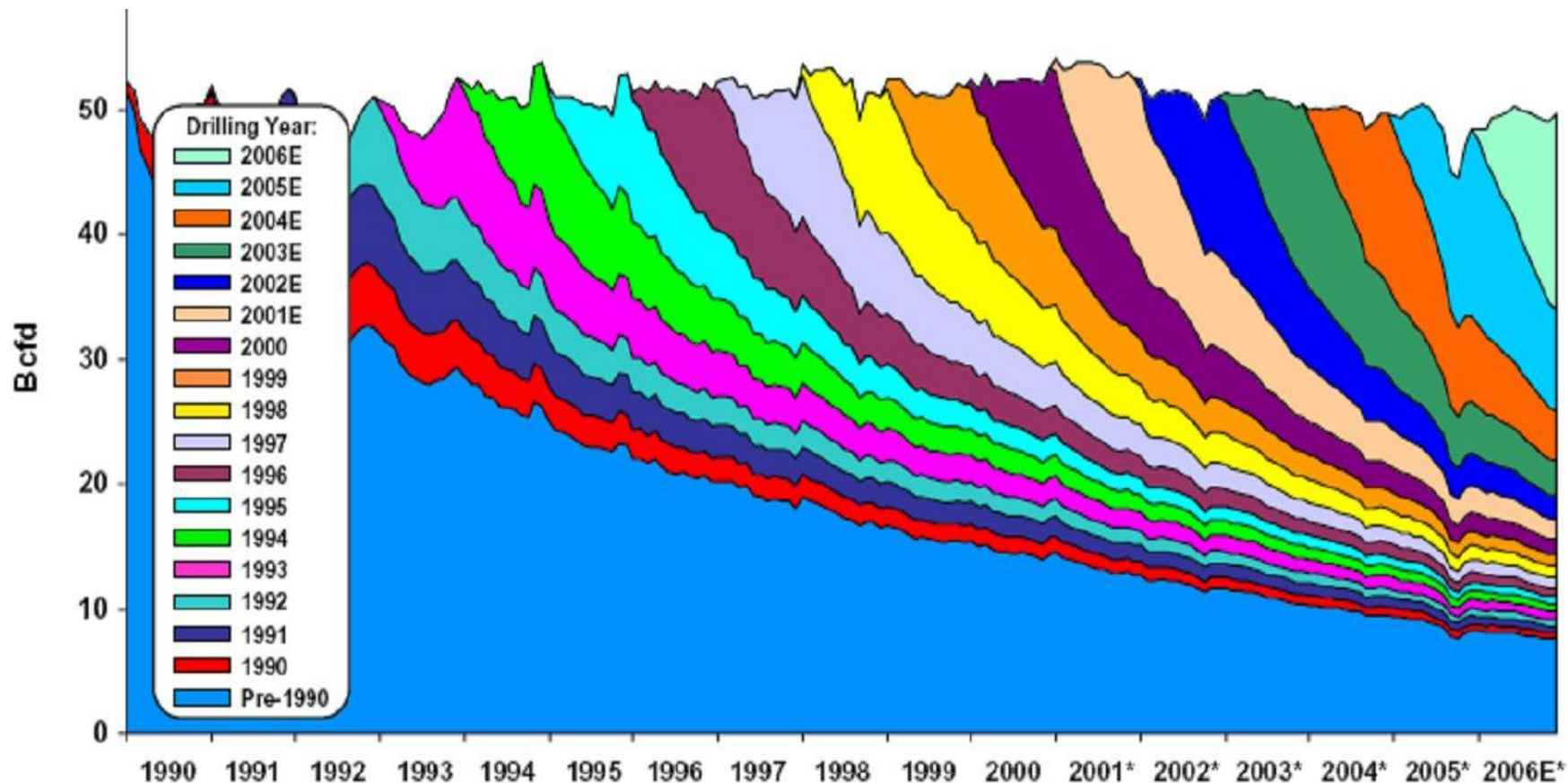
Improved Drilling Technology



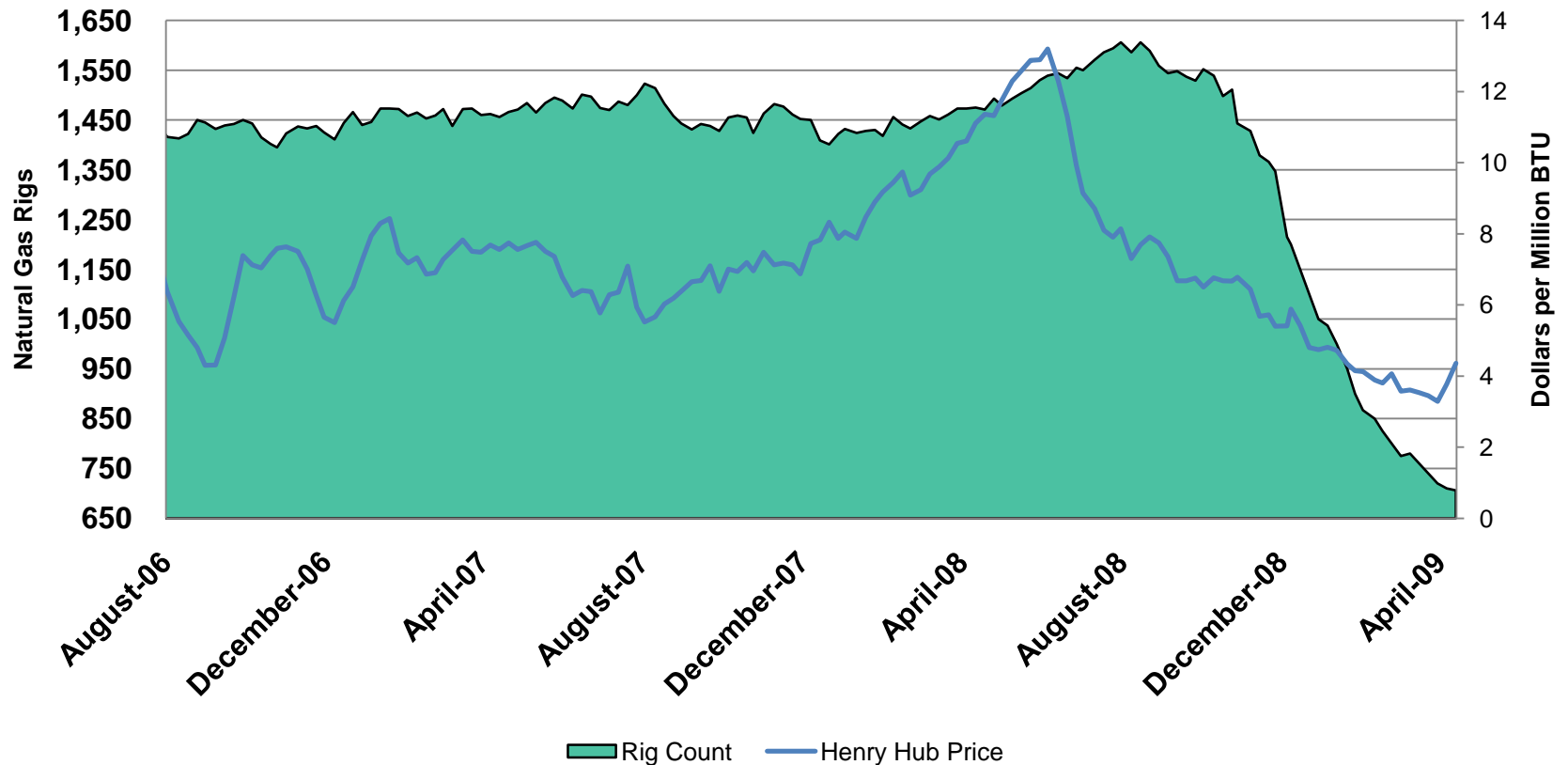
U.S. Natural Gas Shale Economically Recoverable Reserves



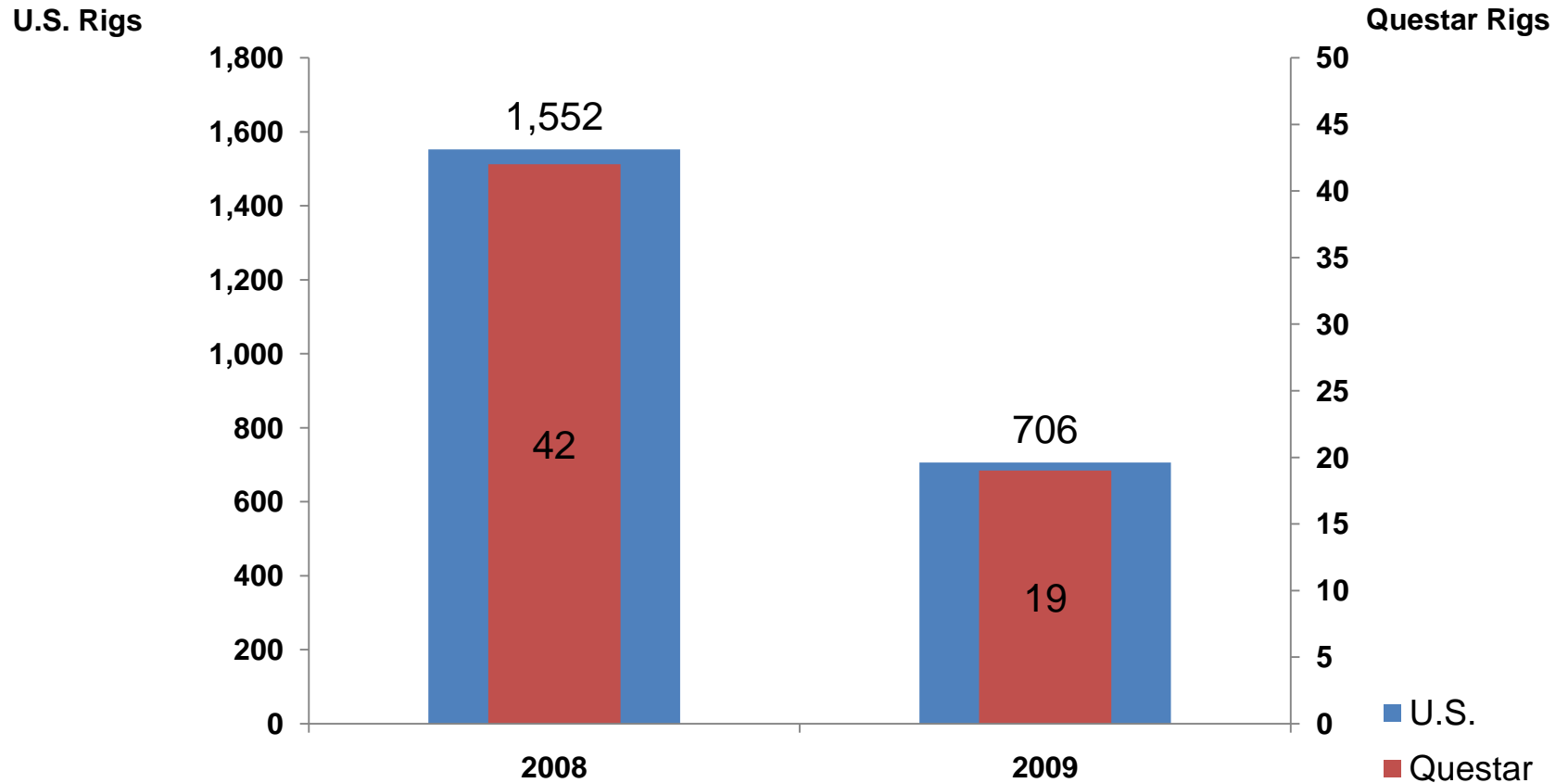
Increasing Decline Rates in Natural Gas Production



U.S. Rig Count



U.S. and Questar Market Resources Current Rig Count



Proposed Tax-Law Changes / Cap & Trade

President Obama's FY 2010 budget proposal

- Elimination of tax deduction for intangible well-completion costs
- Increase amortization period for geological and geophysical costs
- Repeal percentage depletion for oil and natural gas companies

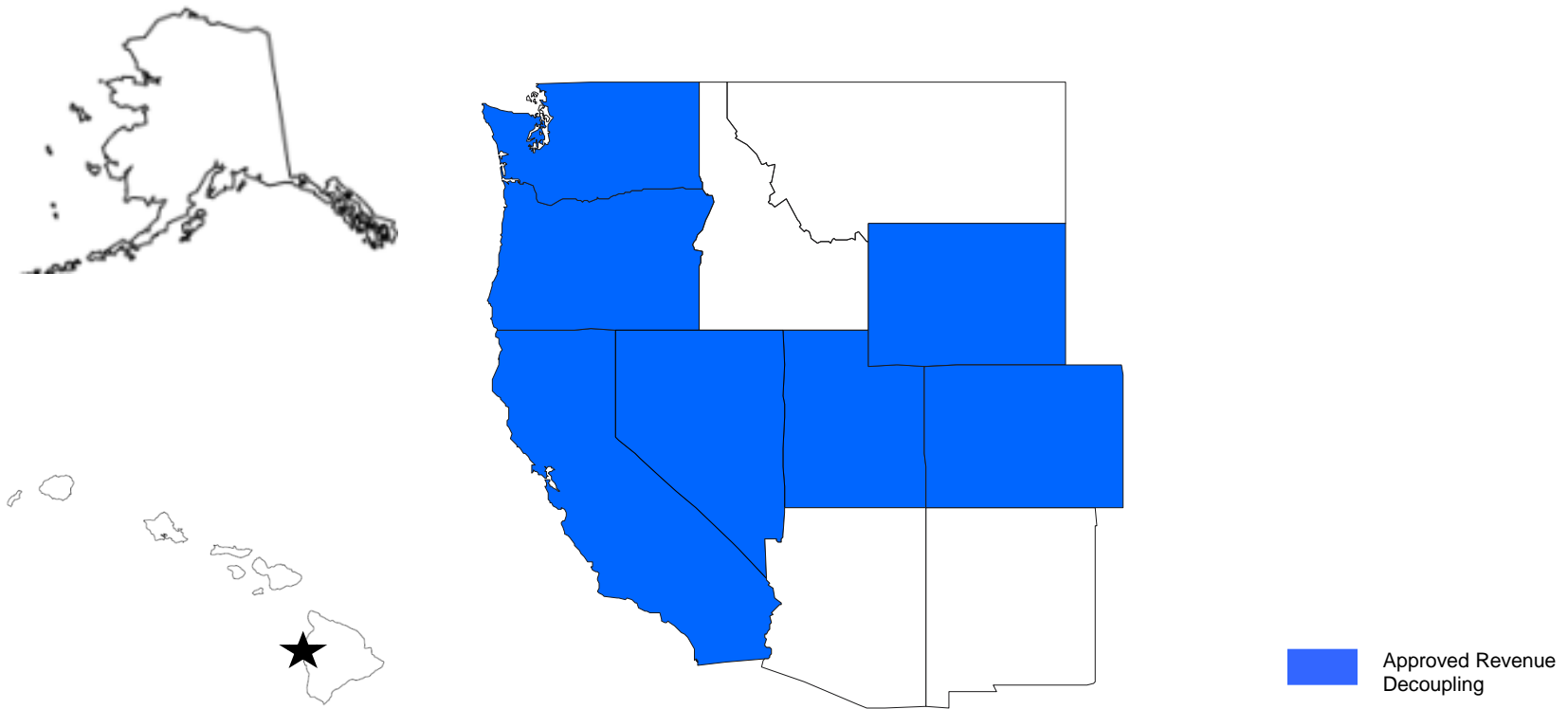
Impact on Questar ~ \$200 - 400 million/year based on 2008 activity levels

Estimated Cap & Trade Costs:

Questar Gas estimated \$264 million annually by 2015

Questar Gas currently collects \$255 million annually to cover non-gas costs

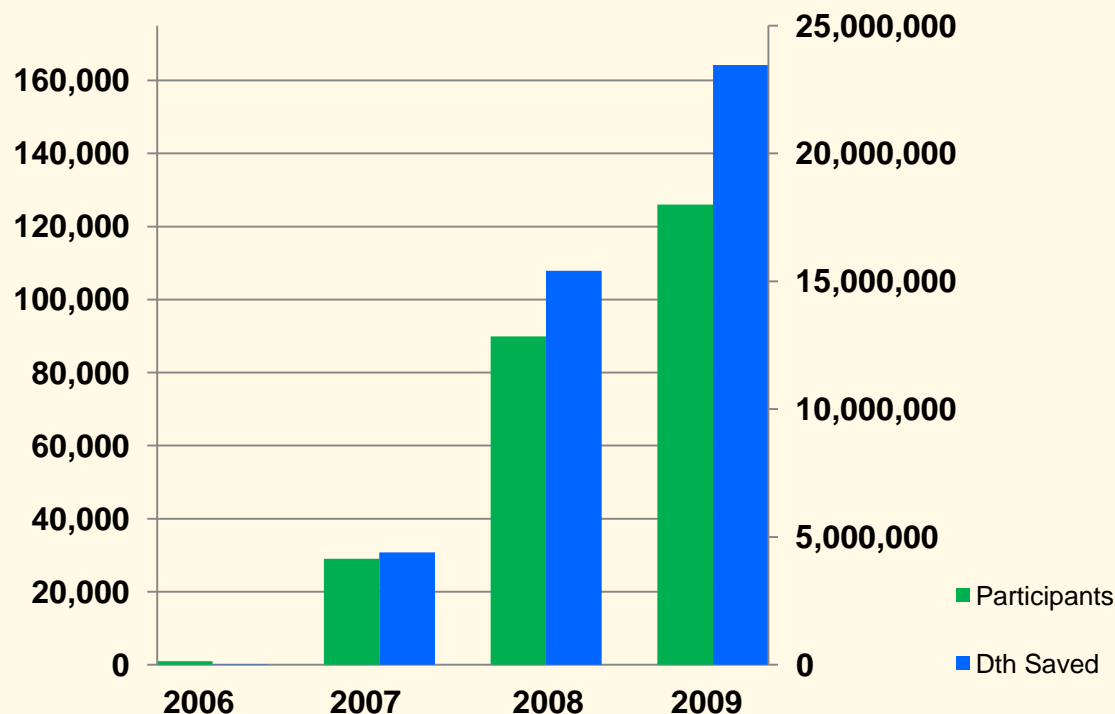
Western States Allowing Revenue Decoupling



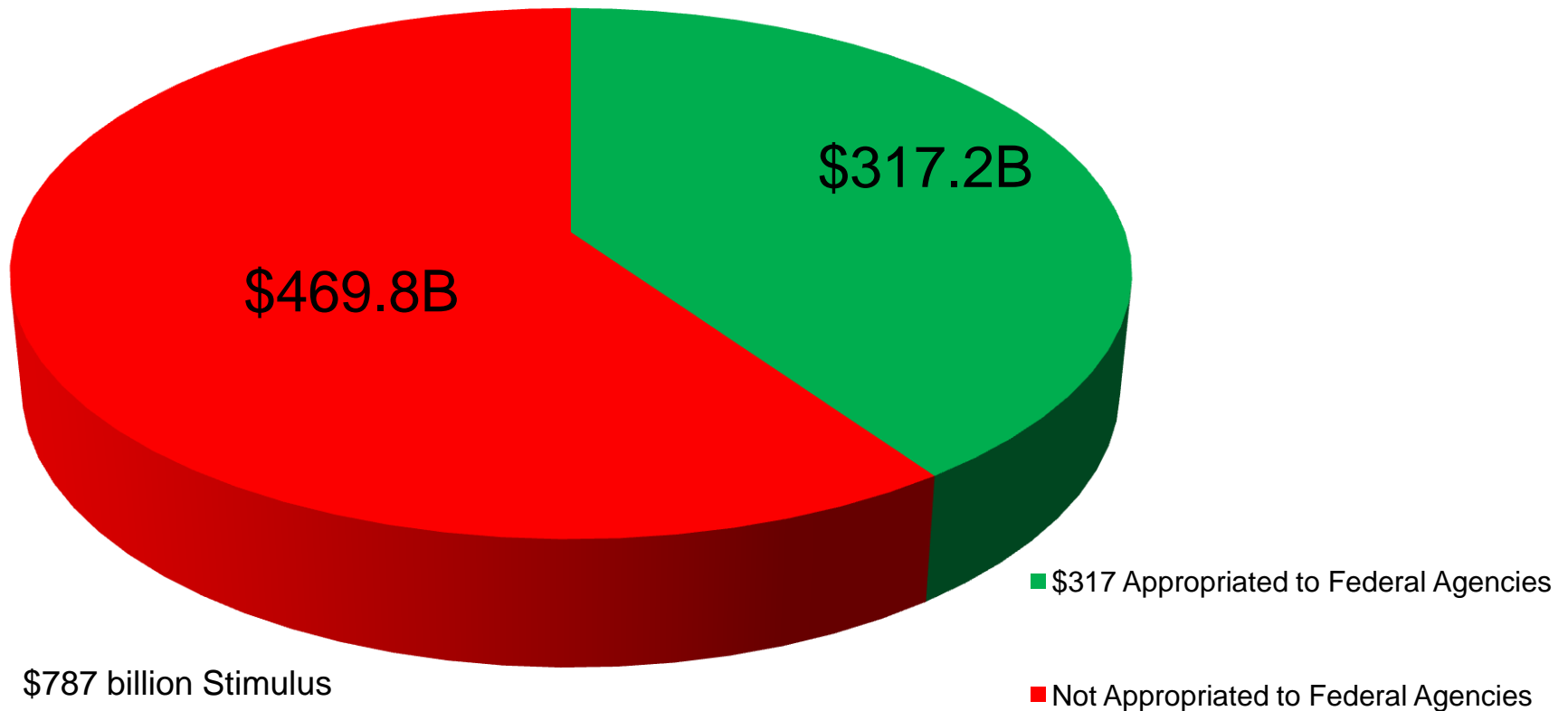
Questar's Energy-Efficiency Program Cumulative Participation and Dth Saved

Participants

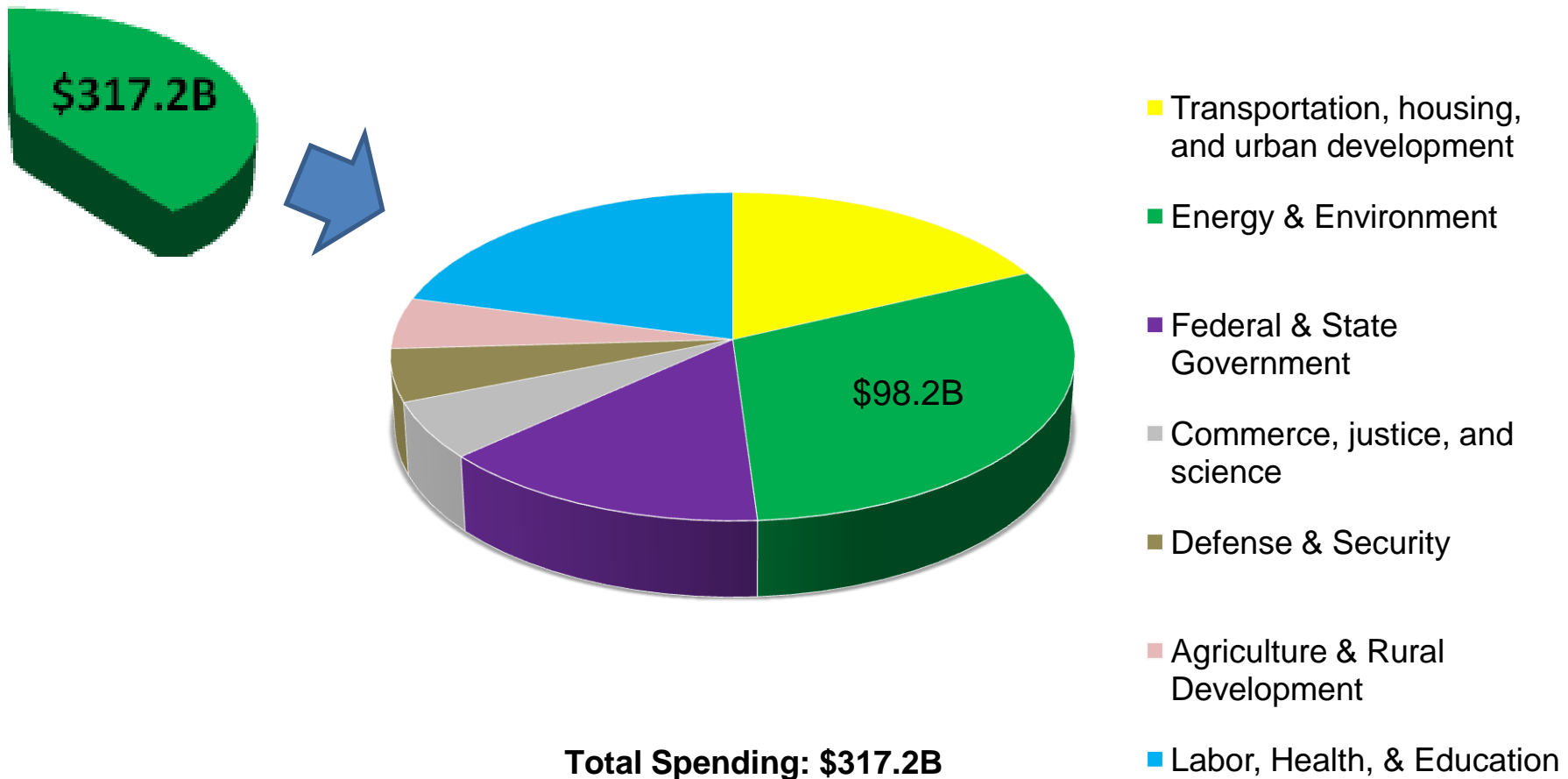
Dth Saved



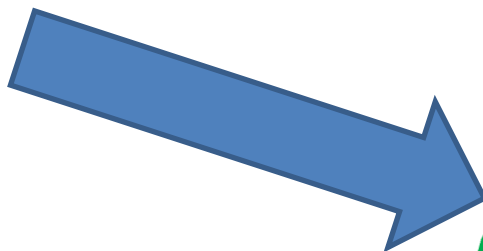
American Reinvestment & Recovery Act of 2009



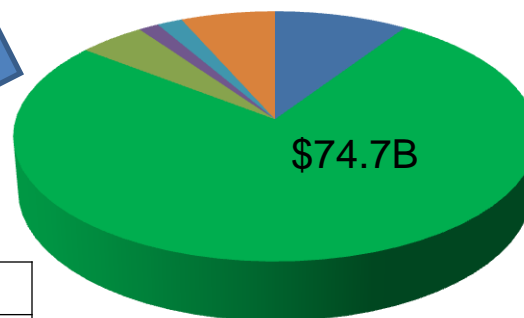
American Reinvestment & Recovery Act Appropriation Spending by Department



American Recovery & Reinvestment Act Appropriation to the Department of Energy



Energy & Environment: \$98.2B



- Department of the Interior
- Department of Energy
- Corps of Engineers
- Bureau of Reclamation
- Other Agencies
- Atomic Energy Defense

\$74.7B	Department of Energy
\$50	Innovative Technology Loan Guarantee Program
\$14.4	Energy efficiency and renewable energy
\$4.6	Fossil energy research and development
\$4.5	Electricity delivery and energy reliability
\$0.5	Nondefense environmental cleanup
\$0.4	Uranium plant decommissioning
\$0.3	Science

(In billions)

\$3.1 billion to the State Energy Program earmarked for states with energy efficiency initiatives.

American Recovery & Reinvestment Act

State Funding

State	Weatherization	State Energy Program	Energy Efficiency & Conservation Block Grant Program	Science	Environmental Management	Biomass	Total
Alaska	\$18.1	\$28.2	\$14.0	\$0.0	\$0.0	\$0.0	\$60.3
Arizona	\$57.0	\$55.4	\$63.8	\$0.0	\$0.0	\$0.0	\$176.3
California	\$185.8	\$226.1	\$351.7	\$184.2	\$62.1	\$111.5	\$1,121.3
Colorado	\$79.5	\$49.2	\$42.6	\$0.0	\$110.7	\$0.0	\$282.1
Hawaii	\$4.0	\$25.9	\$15.1	\$0.0	\$0.0	\$0.0	\$45.0
Idaho	\$30.3	\$28.6	\$17.0	\$0.0	\$467.9	\$0.0	\$543.7
Montana	\$26.5	\$25.9	\$14.0	\$0.0	\$0.0	\$0.0	\$66.4
New Mexico	\$26.9	\$31.8	\$20.6	\$0.0	\$384.2	\$0.0	\$463.4
Oregon	\$38.5	\$42.2	\$33.5	\$0.0	\$0.0	\$0.0	\$114.2
Utah	\$37.9	\$35.4	\$27.8	\$0.0	\$108.4	\$0.0	\$209.4
Washington	\$59.5	\$60.9	\$56.1	\$123.9	\$1,960.5	\$0.0	\$2,261.0
Wyoming	\$10.2	\$24.9	\$12.0	\$0.0	\$0.0	\$0.0	\$47.2
Total	\$574.5	\$634.6	\$668.1	\$308.1	\$3,093.7	\$111.5	\$5,390.4

(Figures are rounded and in millions)